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ABSTRACT

Vocational training should be a subject of social dialogue at the enterprise level, since enterprises have an essential role in developing continuing vocational training of their employees and are concerned about initial training. European social partners agree that states, enterprises, and individuals have responsibilities in initial vocational education and continuing training. Decentralization and privatization of economies has made it difficult for most partner countries to differentiate between the state and private sector as the main provider of employment. Responses of employees, employers, and government to questions concerning the role of the social partners at the enterprise level indicate that workers and employers are responsible for training at that level. All agree there are difficulties for development of the social dialogue on vocational training in the enterprise. Effective implementation of training supposes cooperation among public authorities, training providers, professional sector organizations, enterprises, and mass media. Employees and government agree on a legal framework as a condition that may encourage the involvement of social partners. Recommendations are for the recognition of social partners' roles, financial support and technical assistance of the European Training Foundation, and pilot projects. (Two reports on the role of social partners on training at the enterprise level in the Member States of the European Union are appended.) (YLB)

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ED 423 363

European Training Foundation

Subgroup B

THE ROLE OF SOCIAL PARTNERS IN THE DEVELOPMENT OF VOCATIONAL TRAINING IN A MARKET ECONOMY AT THE ENTERPRISE LEVEL

Synthesis Report

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This report was prepared with the financial assistance of the European Training Foundation. This views expressed herein are those of the Contractor and do not represent any official view of the Foundation"

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INTRODUCTION

In accordance with its mandate, the subgroup B of the Foundation's Advisory Forum focused its work on the place and the role of the social dialogue for the development of vocational training at the enterprise level.

The choice of this issue results from the conclusions of the work of the subgroup in 1996. It was considered then that the enterprises have an essential role to play for the development of continuing vocational training of their employees and are also concerned by the initial training, in particular regarding apprenticeship and alternance training. According to the diversity of the national situations, training may thus be a subject of social dialogue at that level.

The work of the subgroup members, during the seminar on 7 and 8 of March 1997 in Warsaw, pointed out the importance of this issue, but also the difficulties in the development of the social dialogue at the enterprise level, in particular in the partner countries in transition: low representativeness of the social partners, the absence of will or culture in the social dialogue which in addition does not often rank training among the priority issues, insufficiency of the legal framework as well as of the support from public authorities.

The subgroup's discussions were sustained by two preparatory reports of experts. One of them is based on the outcomes of a survey conducted mainly within the CEECs, dealing with the social dialogue on training at the enterprise level; the other one presents an assessment of the state of play with respect to the reflection and the practices within the European Union on the same issue. It draws mainly on "common opinions" concluded by the European social partners on this issue and on the work of "Social Dialogue Support System on continuing vocational training" reflecting the experience of the member states. This material enclosed as an annex to this synthesis report constitutes an essential basis for the continuation of the work of the Foundation, as well as to support the initiatives the partners countries will have to take in that field.

In the first part, the report presents a synthetic overview of this issue, within the European Union countries and the partners countries, whereas and the main results of the discussions during the seminar in Warsaw are included in the second part. In conclusion, the experts propose recommendations for the action of the Foundation and of the partners countries.

I. THE MAIN FEATURES OF THE SITUATION IN THE EUROPEAN UNION AND IN COUNTRIES IN TRANSITION

A. The European Union

1) Training: a strategic challenge

The deep transformations of employment and labour as well as the wider economic challenges (competitiveness and productivity of enterprises, response to technological changes, growth of "immaterial" investments, qualifying labour organisations, alternance training, recognition of acquired skills, management of skills.) urge the enterprises to attach an ever growing importance to the issue of vocational training which is often viewed as a strategic tool in favour of structural changes. The enterprise can no doubt manage the process of change on its own, but, as far as the involvement of individuals is concerned, the use of social dialogue may often prove to be more relevant to the situation.

EU member States have CVT and professional relations systems which are often different from another because they stem from a particular history and culture (cf. the annex). In every country, the enterprise is concerned by vocational training. However, in that field, the forms and methods of social dialogue are different. They can vary from a mere information to the formal negotiation of collective agreements on this issue.

2) The "Joint Opinions"

The European social partners, regularly meeting in the framework of the "social dialogue", have concluded several common opinions in which they propose a common view of the role and the place of the enterprise with regard to vocational training.

They emphasised that the investment in education and training is a condition of competitiveness. This effort of investment demands a commitment of all concerned parties: State, enterprises, individuals.

- **Basic education and alternance**

Nevertheless, it is pointed out that the commitment of all parts concerned implies a previous agreement on each one's responsibility. The basic education and the initial training lie primarily with the responsibility of public authorities. But they recognise the present need to increase the participation of social partners on this issue in order to ensure the coherence between initial vocational education and the companies' needs as well the workers' aspirations.

An important place must be reserved to apprenticeship and alternance training, to the insertion into professional activity of young people and to the transition from school to work life, fields in which employers and trade unions have an important role to play. Apprenticeship, alternance training and insertion into professional activity of young people imply a strong resources mobilisation by the enterprises (training places, pedagogical arrangements.). When the material conditions are not provided through public financial support, they should be decided by social partners. Professional sectors are considered to be the best level to develop apprenticeship and training policies.

- **Continuing training**

Continuing training is admitted to be with the responsibility of both employer and employee.

The enterprise is admitted to be responsible for the professional improvement of its actual workforce. The public authorities or the enterprise which recruit the employees, are responsible for the retraining of the workers when these ones leave the enterprise of origin. The financing of the continuing vocational training, decided by the enterprise, according to its needs, is the responsibility of the enterprise. The cost of training should be partly deducted from taxes. The participation time to training should be the result of an agreement between the employer, the employee and/or his representative. It is necessary to support the employee who wants to follow a training course corresponding to a personal development need and to its own professional project through adequate financial or fiscal measures. The arrangements for a training leave must be legally organised for the benefit of the employee.

- **SMEs**

  The small and medium enterprises play a very important role in the Europe future. It is then suitable to promote all the appropriate measures to support these enterprises whose resources are limited, in order that they can benefit from training for their development and that, if possible, they are not forced to restrain their training effort in case of financial difficulties. This could be realised by the development of training opportunities for SMEs, through new forms of co-operation at the regional and sector-based levels, pooling of resources for training, or the implementation of new partnerships with leading enterprises and public authorities.

B. The role of social partners at the level of enterprises in the member states

The observation of practices of the Social Dialogue on training at the level of the enterprise, within the EU countries, shows first, the essential role played by the enterprise in this field and the reality of the Social Dialogue practices. These few following examples illustrate this idea. Similar forms exist in the non-quoted countries.

In France, the employees - representatives in the works council ("Comité d'entreprise ") are consulted with regard to the enterprises - vocational training policy. The obligatory educational scheme in France serves the calculation of the firm's contribution to the financing funds and must be dealt with in the works council. At this level, however, a wide variety of practices can be found, which range from a mere formal notice of the training plan to its active designing by the social parties.

In Germany, participation in decision-making by employees is regulated by the Law on works councils (Betriebsverfassungsgesetz). The work councils' rights of co-determination are fairly important in the field of both initial vocational training (apprenticeship) and continuing training. Works councils have the right to be consulted, in particular, on in-house vocational training and the choice of instructors and participants, but the final power of decision rests with the employer.

In the Netherlands, for continuing vocational training, the works councils are entitled to be consulted and to introduce initiatives (WOR, Works councils Act, Article 23.3).

The works councils may submit proposals on personnel policy, which may include the question of qualifications. They may encourage the employer to incorporate agreement on continuing training in collective agreements. In addition, the work councils may submit certain decisions by the employer to review by the courts. They are also responsible for monitoring implementation by the companies of the collective agreements negotiated at general level. The members of the works councils pay particular attention to the continuing training opportunities offered. They are entitled to five days' paid training leave (Article 18, WOR). Continuing training for members of the works councils is financed by 0,32% of the total payroll of all companies required by law to have a works council.

The trade unions also sign collective agreements at company level (particularly in the bigger companies).

In Sweden, the interests of Swedish workers are represented through the trade union delegates in companies (fackligfortroendeman); their role was defined in 1974 in a law on the status of trade union delegates.

The social partners are seeking new, more informal strategies. They are concentrating on in-house continuing training as an important area of involvement and want to see a co-decision right in terms of defining needs and of planning and financing training programmes in firms. This approach takes account of the new corporate management strategies, which accord more importance to developing human resources and which seek to utilise the skills of employees and of trade unions delegates in finding more flexible and decentralised solutions to their problems.

In Spain, the 1992 agreement stipulates a tripartite committee (government, employers and employees). A bipartite body (employers and employees) runs FORCEM which manages the funds of the agreement. Further, each sector and each of the autonomous communities are to have/have bipartite consultative committees to approve of the training plans, before they are sent on to FORCEM for financing.

It also foresees a whole system of training plans, not only at the national level, but also at the sectoral group and enterprise level. Other issues included in that agreement are increased participation of employees at enterprise level.

A gradual increase in the importance of bargaining in relation to training may be seen in enterprise agreements - about one fourth of the enterprises indicate that there are training clauses in their agreements now (the percentage is highest in the large enterprises) but also in sectoral and regional level agreements.

C. Partner countries in transition

The main thesis of this report were developed on the basis of in-depth qualitative research namely interviews with the former and present members of the Advisory Forum Subgroup who are the representatives of the partner countries of Central and Eastern Europe. The research concentrated on four main groups of issues:

1) Main issues of organisation and effects of training services at the enterprise level.
2) Relations between vocational training at the enterprise level and training courses initiated or conducted outside the enterprises.
3) Identification of social partners at the enterprise level.
4) Legal framework.

The main findings of the research follow the order presented above and show that:

1) Main issues of organisation and effects of training services at the enterprise level

On the basis of two main criteria the data show that the majority of vocational training in partner countries fall within the following categories:

- on-site training: practical training in any given trade provided to newly employed workers (as well as to the support staff) or to people who are changing jobs. The training consists mainly of teaching basic skills indispensable to operate a machine or a device.
- Specialist training: designed for better skilled workers and engineering staff. This usually involves courses that are pre-requisite for getting certified as operator of specific equipment, or a permission to work under specified condition i.e. work in high voltage area.
- Instruction in work rules. Usually obligatory training for most employees. Courses required by law or industry regulations related to health and safety. This training includes an introductory as well as follow-up courses.
- Updating training courses. These are mostly for engineering and managerial staff and are designed to update and/or modernise skills required to manage staff or supervise the operation of a branch of an industry.
- Individual training courses. These target employees wishing to learn new or upgrade the existing skills.
- Training for employees facing lay-offs.

2) Relations between vocational training at the enterprise level and training courses initiated or conducted outside the enterprises.

The level decentralisation and privatisation of the economies within the transition economies of Central and Eastern Europe varies in regard to both time and level of

progress. This has an impact on the system of vocational training at the enterprise level in each country thereby creating a diverse conditions and environment for vocational training throughout the region. Nevertheless some similarities or common trends can be observed throughout the region. Among these noticeable is the fact that it is still difficult, for most of the partner countries, to clearly differentiate between the state and the private sector as the main provider of employment. This creates a situation whereby the notion of social partnership relates to a concept rather than to a real situation.

Most of the branches of industry are still a part of the public sector therefore are governed by various entities and agencies of the national government thereby playing a leading role in making decision regarding vocational training at the enterprise level. The situation is slowly changing as various foreign assistance programs, which introduce the "new" way of thinking about employment-led training and its role at the enterprise level, begin to play a significant role.

The situation regarding vocational training at the level of enterprise varies also, although in a different way, among countries of Western Europe (WE). Most of regional and local government in the WE countries have at their disposal special employment and training funds that target vocational training at the enterprise level. The role of government in relation to vocational training is also different in these countries. For example in Germany, Austria and Switzerland the national government plays a significant role in supporting vocational training through appropriate policies and funding mechanisms. In France the common practice for the employer to have a service agreement with an outside training outfit.

3) Identification of social partners at the enterprise level

The main conclusion resulting from the research and observation of the processes of vocational training at the enterprise level in the partner countries is that the status and the role of social partners in relation to vocational training at the enterprise level varies in accordance with the type of ownership. The presence of and the role of social partners varies also as a result of social and cultural traditions in each country. For example the majority of countries of the former Soviet Union have no tradition, in the European sense, of social dialogue and social partnerships. The situation is different, however, in the partner countries in Central Europe where both the identity and the role of social partners are more or less clearly defined. These countries are characterised by:

- Progressive weakness and disappearance of unions within small and medium enterprises;
- varied levels and methods of employee representation i.e. joint representation of employees at the work council levels and pluralistic presence of trade unions;
- lack of or a minimal level of employee representation in companies with high level of foreign investment;
- lack of clear differentiation between social partners within large state-owned enterprises.

4) Legal framework

The general conclusion resulting from this research is that aside from training regarding work safety and work related to health issues no other training is mandatory. Generally work-related training at the enterprise level depends on the will of the employers (frequently government).

Moreover, while there are no major restrictions precluding training there are also no incentives that would create an environment conducive to vocational training. The major restricting factors are the weak economic conditions and the cost of training. These are significant barriers as many enterprises can not engage in long-term planning or development strategies both of which are prerequisites for the development of effective vocational training.

II. MAIN CHALLENGES

Those taking part in the seminar in Warsaw were invited to debate and provide answers to five questions concerning the role of the social partners at the level of the enterprise:

1. Is there a need for the participation of social partners in the development of vocational training at the level of the enterprise?
2. What are the difficulties for the development of the social dialogue on vocational training in the enterprise?
3. Who are the external actors and their impact on the development of training at the enterprise level?
4. What are the specific training-related issues of the social dialogue inside the enterprise?
5. How to ensure/encourage the conditions for involvement of the social partners at the enterprise level?

Three different groups (acting on a simulation basis) answered the five questions: the first group was supposed to represent the employees and the trade unions point of view, the second one the employers viewpoint and the third one the government standpoint. The challenges for the countries in transition, presented in this second part, are those which were defined in the discussion of the seminar in Warsaw.

1. With respect to the first question, the answers of the three groups were positive but qualified

   For the "workers group", the answer is unambiguously positive for different reasons: the training development is in the interest of both the employees (career, qualification, private development) and the enterprise (competitiveness, production quality.). Vocational training in the enterprise stimulates the involvement and the motivation of the employees, but it also has to take into account "persons at risk" and to prepare professional mobility of the workers outside the enterprise. On all these issues there is a role to play from the side of the workers representatives at the level of the enterprise.

   The "employers group" emphasises that training inside the enterprise lies with the responsibility of the employers, who have to raise the awareness of their partners regarding the essential role of the human resources development. The social dialogue is important, at that level, because it allows to involve the workforce in the objectives of the enterprise. Nevertheless, the concrete arrangements depend on the national heritages. If it is necessary to inform and consult employees representatives, there is no need to give them a decision responsibility in that field.

   The "government group" considers that the State has no direct responsibility at the level of the enterprise. But its main task is to facilitate the social dialogue, proposing a framework and some orientations or policy guidelines (employment policy, educational policy, co-operation between school and enterprise, employees re-training.). From a general point of view, the social partners responsibility inside the enterprise is to facilitate the transformation process of the enterprises in the current period of transition towards the market economy.

2. The three groups agreed on the second question dealing with the difficulties; each group emphasised specific difficulties: the low representation of employees in the small enterprises, the lack of "culture" and practice of the social dialogue within the transition process, especially at the level of the enterprise, the poor and sometimes non-existent involvement of the management in vocational training, difficulty for the workers to formulate clear training requests. The "workers group" emphasised that there is no legal framework which would make easier their task, and no financing. The emphasis is put by the employers on the question of the unions representativeness, the small information of the employees about training, the loss of time, the differences of values. The "government group" recalls that there is no strategic vision of the employers in this field (short term predominance), and that it's necessary but difficult for the unions to change their role in the new transition context. Some governmental support measures could be, no doubt, useful.

3. The answers of the three groups to this question point out that the effective implementation of training suppose the co-operation between numerous actors:

public authorities at all levels, training providers, professional sectoral organisations, enterprises, mass media. All the answers emphasise the necessity to build up varied partnerships. It is clear that social partners, i.e. unions organisations and employers federations, are not the only partners concerned. However, they have a special role to play, especially by the negotiation of collective agreements related to this field and in particular with respect to the management of funds ("workers group"). Employers organisations are concerned at the sectoral level ("employers group").

4. The question concerning the specific training issues to be discussed between social partners in the enterprise, receive a short answer from the "employers group" and a developed answer from the "workers group".

   For the "employers group", these issues have to be strictly dependent on the situation in the labour market. In the enterprise, the motivation of the employees is essential because it's impossible to manage an enterprise against the workers. The "workers group" proposes a list of key-issues for the social dialogue in the enterprise: financing, training policy (plan, priorities, groups of people concerned.), training means within the enterprise, accreditation and recognition, training in case of restructuring of enterprises and redundancy. The list proposed by the "government group" is more or less the same. It is emphasised that training is closely linked to more global issues, such as wages, employment, technologies and their effects.

5. The "workers and government groups" agree on the idea that the existence of a legal framework is a condition that may encourage the involvement of social partners. Such a framework may allow to clarify each one's responsibility, to specify the objectives assigned to training and to deal with the financing issue; this framework should build on the new practices in the partner countries. The degree of obligation has to be well evaluated. The "employers group" insists on the quality of the initial education, condition for the development of continuing training, the will of social partners to have a dialogue, and their pragmatic attitude regarding the issues to be discussed and the promotion of the competitiveness of national economy.

III. CONCLUSIONS AND RECOMMENDATIONS FOR THE ACTION OF THE FOUNDATION

A. Conclusions

The assessment of the social dialogue on training in the countries in transition realised by the subgroup in 1996 was confirmed and deepened in 1997; the discussions, this year, are focused on the enterprise level.

1) Recall of the conclusions of 1996

It was first stressed that the transition from an administered economy towards a market economy could not be carried out instantaneously, but corresponded to a more or less long and difficult transition process depending on the situation particular to each country. In such a transition phase, the only certain thing was the very principle of change and the speed at which it came about.

The risk of diversity in national responses, which the speed of this evolution causes, is an inevitable reality which can be controlled when the solutions opted for are anchored in commonly-held values and principles. These principles are known as far as the role of social partners and social dialogue in a market economy are concerned: pluralism is a guarantee of efficacy and democracy, the autonomy of players of civil society must be able to counterbalance the weight of the State. These principles apply to the role of the social partners on the subject of vocational training.

However, all the partner countries had emphasised the difficulty encountered by employers' organisations and employees' trade unions in forming autonomous forces, which are representative, and possess clear skills and the ability to assume responsibilities, particularly in the fields of VET. The process by which employers and workers organisations are formed is not the same, and does not encounter the same hurdles in both cases.

Then, the question was raised whether, confronted with the urgency of the reforms to be undertaken in the field of VET, it was worth waiting for the social partners to be created and capable of solving the problems that exist, or whether it would not be better to carry out the reforms without them. A serious question, to which the reply came that necessity knows no law, but that vocational training was an excellent area in which social partners - if their legal competence was recognised and their technical competence supported - could very well learn both social dialogue and facilitate the training reforms within tripartite bodies.

But the social dialogue on training can't be amounted to tripartism. Other forms of partnership and dialogue must be developed, especially at the level of the enterprise.

2) Key issues stemming from the seminar in Warsaw

The proposals of the participants in the seminar in Warsaw give prominence to some key-issues regarding the place of the social dialogue on training in general and in particular at the level of the enterprise.

- In general terms, the implementation of training policies is not the responsibility of a single actor (State or training institutions), but should be rather seen as the outcome of the building of numerous and various partnerships depending on the levels and objectives to decide on. Employers associations and trade unions, called "social partners", are not the only ones concerned. Nevertheless, they have a special role to play regarding the power they have (right to collective negotiation) to contribute in setting the rules of the game. If the principle of a specific responsibility of "social partners" at the national or sector-based level makes no doubt, its practical terms still needs to be specified in several partner countries.
- At the level of the enterprise, the interest of the social dialogue on training is indeed recognised by everyone, bur its terms, its field, its mandatory force, and its practical feasibility in the enterprises of transitional countries are issues which need to be clarified. The difficulties are not only the result of the complex situation of the transition towards the market economy but also the consequence of different conceptions of the actors concerned. The employers would agree with an informal social dialogue based on the information and consultation in fields which stimulate the motivation and the involvement of the employees. Unions organisations would like the competences, the legal framework, the financing. to be more clearly defined.
- A clarification of respective responsibilities is useful after several years of experience in the transition towards the market economy. The working out of a legal framework and financial incentives to enterprises seem to emerge. But the pursuit of pragmatic approaches drawing on the capitalisation of experiences of partner countries, the co-operation with the European Union countries, the incentive role of the State towards the financing and the involvement of social partners in some tripartite structures should on no account excluded.

B. Recommendations

In this context, the experts set out the following recommendations for the benefit of the European Training Foundation:

- recognition of the specific role the social partners can play in the development of training, as actors with an orientation and normative power (collective negotiation). For this reason, it would be appropriate to strengthen their place in the institutions concerned by training and in the co-operation programmes, besides other social actors concerned;
- to carry on providing a methodological and financial support to the social partners of the partner countries in order to analyse and build up the new emergent practices in the field of the social dialogue on training, at the level of the enterprise;
- to propose a technical assistance to governments, in order to work out legal frameworks, which would stimulate the social dialogue in training as well as a technical assistance concerning the financing of training by the enterprises;
- to work out some pilot projects with leading enterprises and SMEs:
    - for leading enterprises, the management and the representatives of the employees should work together on the issue " training investment and competitiveness"; how training can contribute to competitiveness ? Which terms and conditions for the social dialogue?
    - for SMEs, the pilot project could be aiming to stimulate enterprises'grouping on a close area, in order to "share out" the training (needs analysis, sharing of financial and methodological means).

ANNEX 1

Working document
for the Warsaw seminar (7-8 March 1997)

THE INFLUENCE OF THE SOCIAL PARTNERS ON TRAINING AT ENTERPRISE LEVEL IN THE MEMBER STATES OF THE EUROPEAN UNION

Introduction

The two sides of industry, known within the European Community as the "social partners" and represented by their umbrella organisations - the Union of the Industries of the European Community (Unice) for private-sector employers, the European Trade Union Confederation (ETUC) for employees and the European Centre of Public Enterprises (CEEP) for public-sector employers, have issued joint opinions on the role of the enterprise in vocational training and on the form that their own interaction - the "social dialogue" - should take in that domain. The first part of the present working document focuses on these guidelines, which constitute a useful starting point for discussion in those Member States that wish to develop a national collaborative mechanism to deal with vocational training (I).

The Member States of the European Union often have different vocational-training structures and systems of industrial relations because of their separate historical and cultural backgrounds. In every country enterprises concern themselves with vocational training, but the social dialogue varies in form from one country to another. It can range from the mere provision of information to the formal negotiation of collective agreements on the subject of training. The profound changes affecting conditions of employment and work have made enterprises attach increasing importance to training, which has assumed the role of a strategic investment in the present climate (demands for competitiveness and productivity, the need to respond to technological developments, the growth in "intangible" investments, the concept of the "learning company", sandwich courses, recognition of the value of experience, skills management, etc.). Training may thus become a strategic instrument for the management of change. The enterprise may, of course, choose to administer its training programme as it sees fit, but, since it ultimately entails individual involvement, the social dialogue often emerges as the most effective approach. This has been demonstrated by studies of national practice and legislation (II).

The observations on the significance and forms of the social dialogue devoted to training in enterprises within the EU will give the Member States a wealth of food for thought. The last part of the working document takes the form of "subjects for discussion", based on the reality and diversity of European practice (III).

I. The role of the enterprise as defined in the social partners' joint opinions

A. Responsibility of the enterprise

- **Opinion AC 19/6/90-5**

  Vocational training designed to meet company needs and to continue throughout an employee's working life is a shared responsibility of the employer and the employee. For such training to be effective, the needs of the enterprise and of its employees must be clearly identified and provided for in training plans and programmes tailored to the size of the enterprise and embedded in its overall strategy; the aims of such training are to develop individuals, to upgrade their qualifications and to help them to keep pace with changing job profiles.

- **Opinion AC 19/6/90-11**

  The social partners call for all necessary steps to be taken to permit the widest possible access to training opportunities. The methods by which such access is provided will have to be specified in accordance with circumstances.

  The cost of further training undertaken in response to a company decision and corresponding to company requirements should be met by the employer. The total cost of providing both in-house and external training ought to be tax-deductible.

  Without prejudice to current agreements and practices, the provisions governing time allocations for staff training should, if both parties see fit, be laid down in an agreement between the employer and employee and/or employees' representative within the framework of national legislation and practice.

- **Opinion AC 20/12/91-22**

  With regard to the validation and recognition of completed training courses, in view of the importance to employees of possessing a standardized form certificate of qualification, certificates relating to vocational training programmes undertaken for reasons of personal development and their recognition by the labour market are particularly important means of ensuring geographical and occupational mobility. The social partners recommend that favourable consideration be given to requests by employees for leave of absence to take examinations during working hours to have their skills certified, validated or verified by bodies recognized by the State or the industry concerned.

B. Information and consultation in the enterprise

- **Opinions AC 6/3/87-B1 *et seq.***

  1. In the following passage, the term "information and consultation" should be understood as referring to information and consultation intended for employees or their representatives in accordance with the practices

established by statutes, agreements and custom which apply in the countries of the Community.

2. The parties note that in most countries of the Community, as well as in numerous industries, various forms of information and consultation procedure and negotiating practice exist. They consider that the best possible use should be made of the potential offered by existing procedures while acknowledging their points of diversity.

3. Some participants expressed the view that, when an enterprise intends to introduce technological changes with a significant impact on employees, they and/or their representatives should be informed and consulted in accordance with the practices established by statutes, agreements and custom which apply in the countries of the Community. This information and consultation must take place in due time. (...)

   With a view to enhancing the understanding of new technology, the acquisition of new knowledge and individual adaptability, the two parties would welcome the development of appropriate training courses for those employers and employees affected by such change.

- **Opinion AC 19/6/90-7**

The employer will undertake the necessary provision of information to, and consultation of, the employees and their representatives, in accordance with national legislation and practice, on the training programmes run by the enterprise, which should help to strengthen the motivation of employees by enhancing their understanding of the changes facing the enterprise.

- **Opinion AC 10/1/91-2**

To that end, the parties emphasize the importance and value of a constructive dialogue.

This dialogue presupposes that the social partners are able to manage change. This will entail negotiations at the appropriate levels with a view to adapting the existing agreements as necessary or, if need be, concluding new ones.

They reaffirm the importance of timely information and consultation within each enterprise as declared in the joint opinion of 6 March 1987, particularly for the purpose of laying down adaptability targets. These targets will be all the easier to achieve if a balance is struck between the needs of the parties concerned, both within and outside the enterprise.

C. Careers guidance - role of the employers and trade unions

- **Opinion AC 5/4/91-2.8**

The employers and the unions can help to promote efficient careers advisory services by lending their skills and experience in the development of teaching and information material and by selecting schools where they can talk to young people about their activities.

The contribution of enterprises might consist in offering short practical training courses in their premises which would enable careers advisers, teachers and pupils to obtain direct experience of industry and the service sector.

Additional assistance could be afforded by the participation of employers' representatives and trade unions in the work of national, regional and local committees responsible for the organisation and co-ordination of careers advisory services.

- **AC 5/4/91-2.9**

On the basis of guidelines formulated at the appropriate level, practical mechanisms of the types described below can promote such co-operation:

- visits to enterprises for specialists in careers guidance;
- school-enterprise twinning arrangements;
- practical courses in enterprises for teachers;
- an introduction to the working world for pupils by means of visits and short periods of work experience;
- visits by pupils to vocational-training colleges and to centres where distance learning and correspondence courses are based.

- **Opinion AC 5/4/91-4.4**

Whenever young people are planning their future careers, such contacts may help them to make the right decisions.

- **Opinion AC 5/4/91-4.5**

Periods spent on work experience in enterprises for that purpose should be brief and should be an integral part of the system of careers guidance and advice.

D. School-enterprise cooperation

- **Opinion AC 19/6/90-4a**

  The social partners consider that all parties concerned must help to ensure that schools, in addition to their task of imparting a broad general education and inculcating good citizenship, pay greater heed to the realities of the working world. Close links between enterprises and educational establishments should be encouraged to enable young people to adapt better to working life.

- **Opinion AC 19/6/90-4b**

  It is essential to step up the efforts being made to encourage teachers and instructors to take part in exchange programmes, to familiarize teachers with the latest developments in enterprises and with emerging technology and to provide additional training in educational theory and teaching methods for instructors in enterprises.

- **Opinion AC 5/4/91-4.2**

  In the realm of general education, responsibility lies entirely in the hands of the education authorities. Nevertheless, within the framework of guidelines which ensure the autonomy of educational establishments, the education authorities should develop more contacts between such establishments and enterprises. The social partners at the European level encourage the latter to develop opportunities for visits and to organise training courses for teachers in enterprises as well as other forms of co-operation.

- **Opinion AC 5/4/91-4.3**

  The transition between education and working life will be made more easily and more effectively if young people are better able to understand the options available in industrial and service enterprises of all sizes. Employers and trade unions or other workers' representatives are playing an active role in this domain.

  Employers are helping young people to understand how, when they start work as employees or freelance operators, they can contribute to the creation of wealth and to raising the standard of living of the communities in which they live. They are helping to initiate young people in the enterprise culture and to familiarise them with the workings of the economy.

  In various Member States they have already taken a number of successful initiatives to improve co-operation between educational services and the enterprises which provide professional training.

  The trade unions or other staff representatives help young people by informing and advising them of their rights within the enterprise as well as of the advantages of vocational education and also by helping them to express their own interests and by integrating these into the information, consultation and participation process in the domain of training.

- **Opinion AC 6/3/87-5**

  Informing and consulting employees and their representatives, in accordance with national practice, on the training programmes run by the enterprise should help to strengthen the motivation of employees by enhancing their understanding of the changes facing the enterprise.

- **Opinion AC 21/9/93-3.2.1**

  In the realm of general education, "the education authorities should develop more contacts between schools and enterprises".

- **Opinion AC 21/9/93-3-2.1(6)**

  Further efforts should be made to develop relations between enterprises and universities and partnerships involving universities, research centres and enterprises which are designed, among other things, to adapt professional qualifications to the needs of industrial and technological development. Such links between schools or universities and business should be developed by the following means:

  - Community programmes,
  - adaptation of careers advisory services in school,
  - direct links between the officers and institutions of the education system on the one hand and the social partners on the other.

II. Role of the social partners: national practice

The role of the social partners in the domain of vocational training within the enterprise varies between large companies and SMEs. In the former case, the staff representatives or trade unions can be associated with the formulation and implementation of training plans, while the latter businesses are too small to perform that function and may have recourse to external "subcontractors".

A. Planning of training in large enterprises

The quality of the workforce is a key element in the struggle for the survival and growth of businesses in an increasingly competitive market. Consequently, planning for future staffing and training requirements ought to be one of the main activities of an enterprise. Efficient planning of the training programme can contribute to the general development of the enterprise and equip it to meet the challenges of the market.

Planning of the training programme does not simply mean devising and providing courses of training but also providing the funds and establishing the rights on which its implementation depends.

The concept of planning a training programme has different implications and is implemented in different ways from one country to another.

In some countries, enterprises are legally bound to consult the staff representatives on the planning of their training programmes. Some enterprises may comply far more strictly than others with this requirement. Nevertheless, in practice it enables staff representatives to ensure that the needs of the individual are taken into account along with those of the enterprise.

In France, employers are bound by law, both at industry level (through collective agreements) and at enterprise level, to draw up a training plan and to consult the works councils about it.

Other European countries have less formal procedures. In Italy, for example, employers have no legal obligation to provide training, although employees have a legal entitlement to leave of absence for education and training purposes. In Germany, the 1972 Works Constitution Act lays down that works councils, representing the staff, and the employer must cooperage in the domain of vocational training and must promote such training. The works councils have a right of co-decision on certain matters.

For a few years now, in-house training courses have been assuming greater importance in all European countries. The reason for this need does not lie in the introduction of new technology alone but also, and to an increasing extent, in the development of new forms of company and work organisation and in the growing importance attached to the quality of products and services as a competitive trump card. In many segments of the market, competition is tending to be waged more and more on the battlefield of product quality and customer service, because of the need to keep production costs as low as possible.

The achievement of these two aims of providing quality products and services on the one hand and controlling or reducing relative costs on the other means that a qualified workforce which is able to operate independently in accordance with these criteria is one of the main strategic options for any enterprise. In-house training based on new forms of work and organisation is one of the key means of implementing such an approach.

That is why, alongside the two traditional forms of in-house training - further training for career advancement and further training to familiarise staff with new technology - a new type of training is currently emerging. It is designed to achieve objectives specific to the enterprise in question and is often part of an approach that encompasses the development of the entire organisation of the enterprise. Developing the organisation of the enterprise means establishing methods designed to change the work process, to promote co-operation and in particular to motivate the workforce in order to ensure continuous adaptation to new requirements. More global strategic approaches based on a "human-resources policy" are therefore replacing the short-term approach of offering training courses in response to technological adaptation requirements. These developments have been virtually confined to large enterprises so far, because they require management resources that medium-sized enterprises, let alone small businesses, cannot provide without external assistance. Strategies designed to meet the aims of providing quality products and services and rationalising costs are therefore increasingly focused on the workforce in its entirety and consider the development of the organisation, backed by the training programme, as a continuous process. The nature of in-house training has thus been altered: in terms of its conception and organisation, it is becoming increasingly job-specific. This type of training transcends the conventional definitions of training and is often regarded by vocational-training specialists as being outside their domain.

The development of the organisation has an impact on the traditional role of management and the way in which it sees itself. Training designed to enable managers to control the organisational development process is often an integral part of the concept of further training and is frequently provided at the same time as the training designed for the lower tiers of the hierarchy. Moreover, the role of the trade unions and employees' representatives is also affected; the development of the organisation requires the participation and co-operation of the workforce, something which is not in line with traditional trade-union policy. In some cases, once management has introduced projects of this type, it has been observed that the employees' representatives become more and more involved in them after having shown initial reticence.

Faced by these developments, the social partners in numerous European countries have focused on the development of the organisation and the training relating to it, especially at company level, in discussions, joint projects and even agreements. This is the case especially in countries where the individual enterprise plays a predominant role in the activities of the social partners by reason of legislation or national tradition in the domain of industrial relations.

B. The SMEs

Fewer than 1% of European enterprises are medium-sized or large. Ninety-nine per cent of private-sector businesses (excluding agriculture), of which there are more than fifteen and a half million, are regarded as small enterprises (up to 100 employees), and the bulk of these - around 90% - are microenterprises (up to ten employees).

SMEs employ 70% of the labour force in the private sector, and microenterprises provide almost one-third of all jobs. They are also the main source of net employment growth.

The "SME" label covers a very wide range of businesses in terms of size and degree of external dependence. There are some medium-sized enterprises that are responsible for providing services in the domains of industrial relations and training for the small family businesses which typify the craft industries and certain building and service industries where there are neither human-resource services nor any other organised support services.

Formal consultation and dialogue mechanisms are rare, as are unionisation and staff representation, in microenterprises at least, but also in many larger SMEs.

Nevertheless, the SMEs, including microenterprises, are normally required to conform to legislation and the terms of collective agreements, although support measures and exemptions do exist in some Member States.

Small enterprises lack the resources to plan for the future and to anticipate new developments.

They do not generally take a long-term view and are largely dependent on external assistance when it comes to anticipating requirements and to planning and providing support services and training.

It may be said in very general terms that the smaller the enterprise, the greater will be its difficulty in providing training and in finding the necessary time in which to do it. The replacement and rotation systems applied in Belgium and Denmark may be worth pursuing in this respect, as may the models of customised training designed specifically to meet the needs of small businesses that have been developed in Germany, Austria and the United Kingdom, for example.

The assignment of specific parts of the national training budget, as happens in some Member States, would be a step in the right direction, although it is true that small businesses are often unaware of the opportunities available.

The costs, and perhaps the fear of losing influence by relying on external expertise, may also be perceived as a problem in certain quarters.

National initiatives or sectoral initiatives by individual industries designed to promote the transfer of experience and know-how in the identification of future training needs and in the planning and provision of training courses and to promote the co-ordination of demand (several small enterprises in one industry or region pooling their requests for funds and courses), as practised in Spain, are also well worth pursuing. The French solution of training insurance funds should also be mentioned. These jointly financed funds "mutualize" the financial resources of small enterprises and provide them with technical (specific needs, training plans) and financial assistance.

C. Some examples of national legislation

- **Germany**

The participation of employees in company decision-making is governed by the Works Constitution Act (*Betriebsverfassungsgesetz*). The Act establishes works councils and grants them quite extensive co-decision rights in the realm of vocational training, be it initial (apprenticeships) or in-service training. The works councils have consultative powers, particularly with regard to the provision of in-house training and the selection of instructors and participants, although the employer still has the final say.

- **Belgium**

The Belgian employers' association supports in-service training, whether it is provided by the enterprise or under a joint scheme operated within a particular industry. The Belgian trade unions support joint in-service training courses at the local, regional and national levels.

In terms of collective bargaining, Belgium has a long tradition of national collective agreements concluded by the three labour organisations (the Confederation of Christian Trade Unions, the General Labour Federation in Belgium and the General Group of Liberal Trade Unions of Belgium) and the employers' organisations (the Federation of Belgian Enterprises, the Union of Small and Medium-sized Businesses and Industries and the agricultural organisations).

These agreements are negotiated for a two-year period and cover important aspects of social and economic life, such as pay and social benefits, working hours and in-service training.

Belgian employers finance and organise in-service training for their staff. They undertake assessments of training requirements by identifying them informally. The selection of target groups is most often determined by the general strategy of the enterprise and by the constraints of the personnel-management budget.

The works councils regularly receive information on economic, financial and social matters.

- **Denmark**

The structure and content of further training, its funding, leave of absence for training purposes and issues related to the integration of unemployed persons are all part of the social dialogue and are covered by agreements on vocational training. The committees for individual industries agree on the content of further-training courses, which are run in jointly managed training centres as well as in technical and commercial colleges. In some industries, agreement has been reached on supplementary funding, provided by an employers' contribution amounting to a fixed percentage of the company wage bill, to top up the allowances paid by the State during in-service training and thereby encourage participation; the courses themselves are not normally financed from these funds. It is only in the public service sector that such funds have been used to finance

pilot schemes relating to course content and teaching methods. The national agreement of 1992, which opened the door to the possibility of bargaining within enterprises, has kindled greater interest among trade unions and employers in matters relating to vocational training. In 1994/95, provisions governing the right of individuals to two weeks' annual leave for the purpose of training within the framework of the company training plan were introduced in numerous non-national agreements, covering three-quarters of the active population; in practice there are nine models, differing in the content and aims of the training offered. Since then, links have been forged between the sectoral level and the enterprise; the purpose of these links is to promote further training in the numerous small and medium-sized enterprises. One example is the creation by the Confederation of Danish Industries and the group of unions representing the industrial labour force of a joint secretariat (SUM), which helps enterprises in the industrial sector to analyse, plan for and satisfy their needs in terms of human resources and aptitude levels and which aims to promote communication between enterprises, employees and training centres.

- **Spain**

The 1992 agreement provides for a tripartite committee (government, employers and employees). A joint body representing employers and employees administer FORCEM, the body that manages the funds made available under the agreement. In addition, each sector of the economy and each of the Autonomous Communities must set up - or already have - joint advisory committees to approve training plans before they are submitted to FORCEM for funding.

The agreement also provides for an entire system of training plans, not only at the national level but also within industries, groups of companies and individual enterprises.

It also covers other points, such as a greater degree of worker participation in the running of the enterprise.

There is evidence of a gradual increase in the importance of negotiations on training matters in company agreements - about a quarter of Spanish enterprises have indicated that their agreements now contain clauses on training, with the highest rates being registered by large enterprises - but also in sectoral and regional agreements.

- **France**

  The social dialogue on vocational training is primarily conducted at national level between the respective umbrella organisations. At that level the dialogue and agreements focus on access to vocational training by means of training leave, the principles underlying the funding and administration of further training and the integration of young people into the labour market.

  Supplementary negotiations also take place within the various industries for the purpose of transposing the national blanket agreements. The main focus of these negotiations is on recognition of the qualifications obtained from further-training courses. These sectoral certificates may be approved by a tripartite commission set up by the Ministry of Labour and declared equivalent to qualifications obtained in the national education system. This is also the level at which discussion takes place on matters concerning the joint organisation of further training and the creation of funds to finance it

  Within the enterprise, the staff representatives on the works council are consulted on company training policy. Discussion of company training plans, which is compulsory in France in enterprises with more than 50 employees, affords an opportunity to discuss the allocation of the training budget. At this level, however, practices vary from mere formal intimation of the training plan to active involvement by the social partners in its implementation.

  A link between training leave and the company training plan, two concepts which had previously been entirely unconnected, was recently created by means of the system of training time; under that system, individual training may be used to achieve the objectives of the company training plan if the latter is in line with the qualification objectives agreed by the industry in question. This new instrument, which was the subject of a national agreement, now has to be transposed into agreements within specific industries and enterprises.

- **Netherlands**

  Further training is mainly governed by collective agreements in the Netherlands, since 80% of all employees are covered by collective agreements which contain clauses relating to further training or employment-promotion measures. The main industries involved are construction, textiles, metallurgy, banking, insurance, retailing, hotels, catering, food, beverages and agriculture.

  The collective agreements address various subjects, such as the introduction of sandwich courses, remuneration and the creation of training funds within individual industries.

Within the enterprise, employees' interests are represented by the works councils. Under Dutch law, two important rights are vested in the works councils: on the one hand, they are entitled, in the general interest of enterprises and their employees, to receive information and be consulted on major issues affecting the enterprise and to discuss such issues; on the other hand, in the event of a difference of opinion with the employer, they may request arbitration by a joint committee from within the enterprise or by a legal tribunal.

There is a mandatory right of co-decision in the domain of initial vocational training. In matters of further training, the works councils have the right to be consulted and to initiate proposals. (Works Councils Act [WOR], section 23(3)).

The works councils may submit proposals on personnel policy, which may cover matters relating to qualifications. They can urge employers to incorporate further-training measures into collective agreements. Moreover, the works councils may submit certain decisions taken by employers for judicial review by a tribunal. They are also responsible for verifying the practical application by enterprises of general collective agreements. Works council members devote special attention to opportunities for further training. They are entitled to five days' paid leave for training purposes (WOR, section 18). The further training of works council members is funded by a levy of 0.32% of the wage bill of every enterprise required by law to have a works council.

The trade unions are also signatories to collective agreements concluded within enterprises (especially in large enterprises).

- **Sweden**

In Sweden, the social partners traditionally play an important role in the domain of initial vocational training and a less important role in further training. This role is not always enshrined in statutory provisions and may derive from collective agreements.

In the private sector, for example, an agreement has been concluded by the LO, the SAF and the Union of Private Employees (PTK). This general agreement relates to information and training for employees on organisation of the work cycle and new technological developments in the industrial sector. It was followed by the conclusion of agreements between the social partners at the local level. These agreements contain provisions requiring both sides of industry at the local level to help employees to meet the new demands in terms of knowledge, skills and qualifications.

Today the social partners are seeking new, more informal strategies. They are focusing on in-house further training as a major area of involvement and want a right of co-decision to develop, particularly in relation to the identification of training needs and the planning and funding of in-house further-training programmes. This approach takes account of new company management strategies which attach greater importance to the development of human resources and which seek to use the skills of employees as well as of trade union delegates in the quest for more flexible and decentralised solutions to their problems.

The interests of Swedish employees are represented within the enterprise by shop stewards (*facklig förtroendeman*), whose role was defined in 1974 in the Shop Stewards Act. They are entitled to receive information and to negotiate on all matters relating to production, working conditions and the staff situation. They are consulted on the financial position of the enterprise. The trade unions also engage in pay negotiations within the enterprise in addition to the central or sectoral collective agreements.

Further training, personnel-management policy and the improvement of working conditions are featuring to an increasing extent on the agenda for in-house discussions.

III. Points for discussion

1. The enterprise has a key role to play in the development of vocational training
   - by receiving young people for work experience and providing them with training and careers guidance,
   - by using company resources (facilities, tutors) to provide in-house sandwich courses, and
   - by obtaining funding to cover part of the identified staff-training requirement.
2. The way in which an enterprise exercises its responsibility differs between large and small enterprises.
   - In large enterprises, training may be the subject of a specific planning process and may be an integral component of the work cycle.
   - In small enterprises, the training role will often be handed over to external service providers emanating from the social partners or the open market.
3. Training is primarily a strategic decision which it is the prerogative of the company management to take. Nevertheless, the experience of the Member States of the European Union shows that the social dialogue, in various forms, is a good way of resolving problems resulting from the manner in which enterprises pursue their training policies.

4. The following points in particular may feature on the agenda for the social dialogue on in-house training:

   - priorities in relation to the market, technology, etc.;
   - allocation of resources (investments, joint investments);
   - procedures: links with the work cycle and traditional training courses;
   - employees' access (rights, obligations, etc.);
   - contacts between the enterprise and its environment (external services for SMEs, training courses on offer, labour pool and training levels, etc.);

5. The social dialogue may be very formal in structure - collective bargaining, works council meetings - or more informal, when it comes to the treatment of a specific problem (new technology, retraining, etc.).

6. The tripartite nature of the social dialogue at national or regional level does not apply within private enterprises, on which the government has, by definition, no direct influence.

7. The social dialogue on in-house training is assuming an increasingly strategic character as the aptitude and motivation of the workforce become the key to a company's ability to succeed in a competitive market. The focus of discussion is consequently shifting from salaries and jobs (although these remain vital concerns) towards aptitude and qualifications, in which training is a crucial factor.

   - Sources:
     - Joint opinions on education and training, 1989-1995. European social dialogue involving Unice, the CEEP and the ETUC, with the assistance of Directorate-General XXII,
     - Compendium: support mechanism on further training for the social dialogue, March 1996;
   - Joint opinion (*Avis commun*);
   - CIRCÉ, *Droit et Politiques de Formation*.

ANNEX 2

ROLE OF SOCIAL PARTNERS IN THE DEVELOPMENT OF VOCATIONAL TRAINING IN A MARKET ECONOMY AT THE ENTERPRISE LEVEL

Introduction

This report represents a contribution to the discussion on „The Role of Social Partners in the Development of Vocational Training in a Market Economy at the Enterprise Level" which the European Training Foundation's Advisory Forum Subgroup B has been conducting for a couple of years now. The situations, hypotheses, conclusions and recommendations contained in this report have been formulated as a result of in-depth qualitative studies, carried out by sociological methods, among present and former members of the Advisory Forum Subgroup B from partner countries of Central and Eastern Europe such as Poland, Hungary, Slovenia, Albania and former Soviet countries, specifically Russia, Ukraine, Lithuania, Georgia, Azerbaijan, Kazakhstan and Turkmenistan. Altogether prominent 12 Advisory Forum members were kind enough to submit written summaries of their observations and ideas.

Additionally, to get a better perspective on the social partners' point of view, the same set of queries and issues were used for more in depth interviews with leaders of trade union and employer federations in Poland where the social partners are active and quite well defined. The results of this query were subsumed under several major entries which are also used as a key to the structure of this report. These are:

I. Main issues of organisation and effects of training services at enterprise level.

II. Relations between vocational training at enterprise level and training courses initiated or conducted outside enterprises.

III. Identification of social partners at enterprise level.

IV. Legal framework.

The hypotheses contained in this report are a first attempt to diagnose the issue of vocational training at enterprise level in the above-named countries.

I. Main issues of organisation and effects of training services at enterprise level

The questionnaire studies were of qualitative nature, in the sense that they urged respondents to say what they knew about the situation in several partner countries of Central and Eastern Europe. The results obtained justify the formulation of a first hypothesis regarding the most common types of training that are currently offered. A such "standard" set of vocational training services usually comprises the following types of courses:

1. on-site training: on-the-job, practical training in any given trade provided to newly employed workers (as well as support staff) or to people changing their jobs, by teaching basic skills indispensable to operate a machine or device;
2. specialise training: designed for better-skilled workers and engineering staff, usually obtained at courses preparatory for getting certified operator qualifications (generating equipment operation; work under power tension; measuring device operators etc.);
3. instruction in work rules: for all or most employees, training courses which are required under safety at work regulations (introductory and follow-up safety at work instruction courses);
4. updating training courses for engineering and managerial staff organised to update or modernise their skills required to run staff or a branch of an enterprise;
5. individual training courses: for employees wishing to upgrade their skills or learn new trades; and
6. training courses for the unemployed or for workers facing lay-offs.

This standard accounts for 90-95 percent of the aggregate training potential of enterprises in the countries covered by the study in terms of the number of people in training, and expenditure on training.

The most important characteristics of training activities can be summed up as follows:

- The type and the level of technical expertise. Such training courses take several days or months, occasionally years.
- The source of funding. As a rule the courses are financed by enterprises or refunded from the state budget, less often (and only in part) by trainees themselves; occasionally they are subsidised (e.g., with foreign assistance funds).
- The length and the cost of training. Average duration of training per employee (in Phare countries) is about one week a year. The estimated costs in Slovenia or Poland is USD 500 per trainee.

- Cost effectiveness. No precise cost effectiveness estimates are usually made. The main reason is that there are no adequate analytical methods or cost-benefit techniques. Indirect methods to assess cost effectiveness of training such as increased productivity, better product quality, improved industrial relations, competitiveness, motivation, reduced absenteeism etc., are widely used.

Growing aspirations of employees seem to result in the increased demand for training in some countries. The ability to participate in a work related training seems to have developed into a fashion. Most people are keen to go in one of two directions:

- developing new skills, mainly computer literacy and foreign languages (mostly English and German), or
- enhancing personal qualifications by finishing secondary schools (evening courses for adults), completing BA-level college courses or full college degrees (extramural courses, extracurricular studies, correspondence courses), or taking postgraduate studies (improving skills in one's speciality or learning new skills in marketing techniques, management, public relations).

This recent fashion has been observed especially in Phare countries among young employees (under 35 years of age). This signifies a substantial change of training courses in the hierarchy of importance of goods employees can get from their employers. These new aspirations are, no doubt an evidence, of a widespread belief that better education improves a person's chances to get better positions and consequently better wages and a higher standard of living. That is why training appears to become more and more an arena of growing rivalry between competing interests at the plant level. This has two reasons:

- the enterprise must approve the employee's involvement in a training course, and
- the enterprise can finance or co-finance the employee's training course which usually means the employee gets promoted or better paid.

A two-step selection process for candidates for vocational training is applied as a rule for training paid or subsidised by the employer:

- in a first stage, the employee must get approval from their direct superiors and/or possible support of trade unions or another body representing the work force,
- in a latter stage, approval is required from the personnel management, the service usually responsible for preparing the enterprise's comprehensive staff training plan.

The management's attitude is a very important factor in shaping the form of partnership at the enterprise level. Usually there are two main types of approaches utilised by the management in regard to training and interactions with the social partners at the plant level. The first is apparently more common in Tacis countries, the second in Phare countries.

- Controlling (manipulatory) option. The less informed the work force is the more efficiently can the enterprise be managed, the faster can organisational and property changes be made to the firm. The idea, then, is to keep employees or their representative bodies from the access to information. Any training course makes sense only to the extent to which the anticipated technical progress or productivity increases can justify it. Other training courses will only cause confusion, unrest, holding people back from work, as well as will bar an efficient decision-making. If trade unions (and other social partners) want to get training, let them do that at their own expense and, if possible, in their free time after work.
- Co-operative option. The more the work force know about the enterprise's actual situation, the opportunities and hazards facing it, the broader its horizons, the easier it will be to win employees over for co-operation in decision-making, in preparing the necessary changes. The management must organise training courses not only to its social partners but also for future development. Competent experts are invited to explain away different doubts and help work force representatives get a broader perspective of the situation and understand it. Even the best ideas can be wasted, precisely because they are misunderstood, unless there is clear approval from the work force.

No conclusive data are at hand to say for sure which of these options currently prevails. However, what usually occurs, in practice, are mixed variants. Managers running enterprises along the controlling option are likely to find out that, in the long time, that is an inefficient option, for it tends to fuel demands from employees or various kinds of resistance or protest. That leads those managers up towards the co-operative option in which comprehensive training services feature prominently. Then the only obstacle to the introduction of a broad training schemes are systematic barriers, such as:

- a rigid mix of training courses with little possibility of adjusting the programme to the enterprise's actual needs,
- limitations and barriers resulting from the backwardness of the network of training institutions,
- financial and other obstacles.

II. Relations between vocational training at enterprise level and training services initiated or conducted outside enterprises

The situation is difficult in most Central and Eastern European countries as well as in Tacis countries, because no new efficient system has been designed to replace the uniform centralised concept of state-controlled and sponsored vocational and employee training that broke down after 1990.

It is a paradox that comparatively backward countries where reform has been coming only slowly are actually better off now. The previous training system has not yet become entirely derailed. To some extent, it continues to work. Generally, that system relies on central state institutions playing a leading part. Government departments (education and employment above all) play a decisive role in planning and implementing training services. The performance itself of the services is a responsibility of regional educational and training service corporations situated outside enterprises. They are not intrinsically wrong. Much the same institutions operate in the West. Their chief problem is their bureaucratic inefficiency and monopolistic position in the training services market.

Needless to say, such a system is bound to perform badly compared with market mechanisms and carries no promise of getting more efficient ever. Nevertheless it lives up to a marginal efficiency of sorts, and occasionally attempts are made to modify it to concentrate on individual sectors of the economy (trade and services training projects in Azerbaidjan) or regions (Lithuania, or regional textile and clothes industry in the Ukraine).

Training projects which are initiated or financed centrally or regionally for definite kinds of enterprises do not exist at all in Tacis countries. Equally uncommon are that kind of training services in Phare countries, yet for different reasons. That kind of training, if it occurs at all, then as a rule as a project initiated by trade unions or employees. They are financed mainly from those organisations' own funds as well as from proceeds provided under Western educational assistance programmes (Tempus, Leonardo). This holds true of training courses in small business management (Albania, Lithuania), social partnership, tripartism (Hungary), negotiation and social dialogue (Hungary, Poland).

Several respondents mentioned other centrally managed vocational training services, yet the information available about them is as a rule insufficient, their scope very limited anyway. The reason is that there are no co-ordinating institutions, and there is little inducement to launch comprehensive vocational training projects.

Generally, then, sponsors or technical assistance programmes play an inadequate role in supplying training services. This issue calls for a critical discussion involving a wider circle of experts. The fact is that in most countries the assistance funds supplied to recipients are still remote from potential participants in training courses and their specific wants. Their distribution is still being done largely at random, while most of the assistance funds are being taken over by various go-betweens rather than authentic social partners. Moreover, training services, the purpose of which is being doubted by no one any more, are simply too expensive and, under current tax systems in most countries, plainly unprofitable.

III. Identification of social partners at enterprise level

Advisory Forum members participating in the poll were asked in the questionnaire to describe the vocational training situation in their countries preferably on the basis of enterprises that are now best adapted to market economic mechanisms. That clause was quite important because the situation of enterprises and social partners operating in post-Communist economies amidst emerging market conditions is quite differentiated. One important factor which conditions employers' active participation in vocational training services and getting social partners involved is ownership status.

From 1990, state enterprises have been going through dramatic changes, privatisation being only one in many. Diversification of ownership forms is perhaps the word that best describes the process. This of course has consequences: for one, it is very difficult to formulate any conclusive general remark about this geographic area, and, moreover, no clear picture of the actual role of economic mechanisms operating in the countries concerned is yet at hand.

Fast-changing organisational and ownership forms along with a great diversity of enterprises' formal-legal status and service operators working in enterprises are typical features of the transition period in this part of the world.[1] For countries that are advanced in that respect (Poland, Hungary), the changes are likely to continue for another estimated 15 years.

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1 European Office of Statistics figures indicate that after 1989 nearly 3.4 million private business enterprises were founded in 11 Eastern European countries. Most of them in Poland, 1,057 mn, followed by the Czech Republic 0.706 mn, Hungary 0.519 mn, Romania 0.362 mn, and Bulgaria. However, a staggering 61 percent of those enterprises had difficulty surviving. Just 17 percent invested up to 10 percent of their turnover proceeds in their own future.

Yet the fragmentary data that have been supplied justify perhaps the following distinction of several classes of enterprises each corresponding to different kinds and forms of social partnership:

- traditional state enterprises holding monopoly positions in their markets,
- state-owned companies not marked for privatisation which compete against one another in the market,
- enterprises in liquidation,
- enterprises marked for sale or hire to different private investment groups who are not competing against one another,
- state enterprises converted to employee companies and performing well in the market,
- stock market companies,
- companies taken over by foreign investors,
- companies owned by national privatisation funds,
- companies founded as a result of amicable settlement with banks,
- enterprises converted to municipal property,
- companies founded from scrap by native or foreign investors.

Each of these classes of enterprises have their own status, which sets their training policies in a definite direction, but they also differ by their respective economic situations. In fact, the social partners operating in them also differ by status. In most enterprises, irrespective of the country concerned, there are no social partnership structures in the traditional sense such as work force representative bodies, trade unions, employer unions, or tripartite commissions working at different levels. Structures such as these exist in many enterprises, but essentially as fictitious make-believe bodies. Accordingly, in those countries and enterprises, then, social partnership as a category of public activity can be said to be of postulative and purely intentional character.

Further down in this presentation, attention will focus on describing a model of enterprise in partner countries of Central and Eastern Europe which, while operating in conditions that are close to market economy, can best be adapted to working to a social partnership pattern.

Generally, the kind of enterprise that meets this requirement is most likely to be found among state enterprises. Social partners practically do not exist in private enterprises, which in some countries account for a majority of all industries. State enterprises with traditional work force representative bodies still dominate in most Tacis countries and nearly in one in two Phare countries. Yet even these enterprises differ significantly from one another. Some of them are huge juggernauts inherited from the past, with work forces going into thousands, and most of them entirely depending on government subsidies for survival. The role of social partners in them is reduced to voicing demands. Even so, some enterprises are in very good shape financially. A few have already managed to adapt to work in a competitive market. In those enterprises, the things social partners are doing stirs the enterprise's development and reinforces its market situation.

Social co-operation mechanisms also differ substantially from rules governing work in other enterprise classes. In Poland, for example, it is the presence of employee councils in enterprises that makes all the difference. Employee council, an enterprise body imposed by law, performs a function of an important social partner in this class of enterprises in relations with the director (employer) and the unions. Moreover, in enterprises with strong and extensive union representation, worker collective councils (as in Azerbaijan) also come forward as vocal champions of worker interests, including the need for training. To some extent, they serve day-to-day interests, but most of their effort goes into articulating strategic interests connected with industrial transformation (privatisation and restructuring). When, for example, privatisation plans fail to win acceptance from those concerned, decision-making processes depend strongly on worker collective councils' opinions, both those communicated officially and opinions voiced directly at meetings (Ukraine). Moreover, the situation of training differs in some respects in countries where trade unions or other collective representative bodies are strong in enterprises.

For example, in countries such as Poland, where employee representative bodies are strong and hold real power, social partners generally attribute responsibility for vocational training to the management and leading staff of the enterprise as their duty. They hold their demands down to calls for training union and employee representation leaders or personnel management staff following changes to laws or regulations (as when a new Labour Code is introduced). Yet social partners insist on the promotion of employees' vocational development as a declared important role for themselves in enterprises. They often take legal or informal action to raise their members' qualifications. Trade unions in big enterprises which have their own funds also grant their members scholarships to refund part of their cost of upgrading skills. Unions also provide training on their own to improve their own leaders' qualifications (for example, to deepen familiarity with wage negotiations, the labour code etc.), and they promote the best participants by recommending them to managerial positions or sending them to study outside the enterprise.

Another situation of social partners getting very active is when the status quo is threatened. Experience of other transition countries, specifically Slovenia or Hungary, where fundamental changes such as privatisation or restructuring are being put through shows such processes often release and stir active attitudes among social actors. Where trade unions organise 30 percent or more of the work force unions see themselves forced to spell out their position vis-à-vis the proposed changes. It usually takes more than one year to prepare an enterprise's transformation, and during that time trade unions are looking for ways to live up to the challenges that may be coming their way.

Activation of the social partners is usually a three-step process. In a first stage, they are looking for support to experts. Then they come up with ideas for sporadic training courses provided to leaders. A clear idea for long-term promotion of those union members who have the requisite intellectual potential appears only in the last stage. Training of union leaders then becomes a permanent and regular practice.

Work force participation in management and so in initiating and designing training courses seems to be illusory in former Soviet Union countries at the present stage of economic development. By Western standards, that kind of participation is still below the articulation boundary, for it boils down, at best, to a formal articulation of opinions of some worker groups through union channels. Their main interest, respondents pointed out, are basically limited to wages, work organisation, and safety at work. The decisive impulse for training in those countries comes from the „cap of bureaucratic institutions," with labour administration at their core. At enterprise level, the decisive voice belongs to personnel managers and technical training units. It is these services that, with an eye to production requirements, results of studies of demand for labour and skills, and also formal legal requirements (especially safety at work requirements), take complete responsibility for determining demand for training in the enterprise.

In Poland, where social partnership is at a relatively advanced stage, there are other individual representatives of the work force in the area of training needs:

- Social Labour Inspectors responsible for safety-at-work supervision and training,
- occasionally representatives of Supervising or Employee Councils,
- „situational" industrial relations bodies have a say on training services, such as National Boards of Trade Unions and of Employer Organisations, which often organise and recruit participants in training courses at the central level,
- some tripartite organisations involving social partners, such as the Tripartite Commission, Employment Councils (at regional level). They are potentially significant initiators of training services, especially to the unemployed.

IV. Legal framework

Current legislation concerning vocational training in the studied region are spelled out in binding regulations such as the Labour Code and acts concerning employment, fighting unemployment etc. These regulations say practically nothing on the role social partners should play in that respect.

Trade unions, the only major institutional entity organising employees in enterprises, usually put in their charters and work programmes clauses acknowledging the need and providing for actions to launch training projects for members. Provisions for employers to organise and finance employee training can be found in some collective agreements, yet they are not mandatory. Nothing in such provisions puts employers under any obligation to provide training to employees. In most countries, that is left to the employer's discretion. But employers are under a duty to facilitate the raising of vocational skills by their employees.

Safety at work regulations are the only exception there. Under Polish law, which meets stringent European standards in this respect, it is mandatory for employers to provide training to employees and to inform them about any hazards the performance of any job may involve and about ways to protect themselves against risks. Specifically, employers are under duty to do the following:

- they shall train employees prior to admitting them to performing the job;
- they shall provide regular periodic retraining to managerial staff (not later than once in six years) and to workers (not later than once in one to three years); and
- they shall keep employees informed on a current basis on new acts and safety-at-work regulations concerning the respective jobs.

The above training services are compulsory and must be done during working hours and at the employer's cost.

Generally, then, no significant legislative barriers to vocational training have been reported to exist in any of the studied countries. Yet there are no adequate incentives or allowances to provide training either. This implies that financial shortage remains the fundamental and decisive barrier to the provision of vocational training. So, would it feasible, as well as necessary, for those countries to enact regulations making the provision of vocational training services, such as the Polish safety-at-work training provisions, mandatory by law? Answers to this question are invited.

Recommendations

1. Vocational training at enterprise level must be viewed against a wider backdrop of lifelong education. Vocational training does not merely amount to preparation of new workers for future jobs, the institutional framework, reskilling programmes for redundant workers, training employees to new jobs and skills, or preparing adults to self-employment. Any vocational training system cannot function properly unless it is an element of a broader efficient vocational education system also involving young people from secondary schools about to take up their first jobs, unemployed people who have lost their jobs, as well as adults to enter training to new trades outside their enterprises.

2. The proposed changes can only be implemented via a fundamental reshuffle of the training system which must be geared to creating occupations and skills needed to maximise economic development. In particular, the following actions must be envisaged:

   - The drifts of change in the labour market, the demographic structure and the occupational pattern have to be watched closely for the purpose of bridging the gap between anticipated demand and actual supply in vocational preparation and skills of future employees.
   - The social partners involved must reach consensus on aims and strategies of development of their enterprises, their region, and the country as a whole, to ensure maximisation of economic development as well as a fundamental change in attitudes. This presupposes a debate on development tendencies that should be followed in the economy and identification of tendencies that can be changed, and how.
   - Exact analysis will be necessary to demonstrate in what way development of skills and qualifications through training can contribute to economic restructuring and help activate the region.
   - Reappraisal on a regular basis of programmes running under a „vocational education system" is necessary to supply accurate information on the actual utilisation of resources at hand.
   - As a last step, priorities for concrete reform should be defined and new programmes designed, and funds should be allocated to fill existing or emerging gaps in the supply of qualifications.

3. A dramatic change is to be expected when it comes to giving social partners a much stronger role in vocational training. The drift of change should be this:

   - The now dominant model of social partners as entities performing merely review and advisory functions should be abandoned. Instead, social partners should be charged by law to help determine the entire vocational education system at different levels.
   - Social partners should institutionalise their co-operation. It will be necessary to identify the partners that should have a say on vocational education, and to determine the representativeness of the particular groups and industries in relation to employees and employers.

- The partners should be prepared adequately to perform this role. This is true in particular of employer organisations, for trade unions are commonly seen as much better aware of the influence they can have on training policies inside enterprises, and they are better organised and prepared to do that.

4. A new tendency revealed in the studies, namely that awareness of benefits to be gained from raising vocational skills is spreading to embrace more and more employees, marks the beginning of a quantum leap in the area of vocational education. Access to attractive training programmes which afford a chance to raise one's qualifications should be an object of competition between would-be participants. This is going to put such programmes on the battle-ground of social partners' mutual rivalry for influence and position. A screening mechanism will have to be used to ensure selection of interesting training services for which there is demand while skipping dull and unnecessary ones. This highlights one important line of the training system's reform, namely training organisers of training. Participants in such courses should be trained not only in different forms, methods and curricula, but also how to promote various training programmes among employees, design and plan training cycles, and lastly also in individual counselling to employees thinking of raising their skills. Foundation members of Western countries can probably share their first-rate experience with others. This kind of modern training methods taking advantage of televideo techniques (on-job training at workplace) can be addressed mainly to personnel managers and training section heads.

5. The suggestion that social partnership should be viewed as an autonomous training domain is potentially an important idea. Considering that:

   - the current training system in any area is essentially a one-sided affair, in that it seeks solely to train employees to special technical skills;
   - training managerial staff in areas such as management, marketing, corporate strategy, restructuring are as a rule supplied by external training providers, which makes that kind of training neither continuous nor all-embracing but only incidental (comprising only individual managerial staff);
   - training is mostly initiated and organised by personnel management staff who tend to proceed along familiar ways and habits, which shows, among other things, in copying the same training programmes for years on;
   - as different special groups (e.g., foremen) or social actors (e.g., trade unions) have little influence on curricula or the selection of participants,

   so, if training in social partnership is provided for them, they can boost their role by developing social communication skills such as conveying information, consultation, negotiation, mediation. The main idea behind such training would be to set up, first, structures and next links, between different interest groups by organising such training services for all social representatives of an enterprise, for instance management, union leaders, board members.

   To conclude, the suggestion to bring about a fundamental change of perspective on the role of social partners deserves to be discussed. Social partners should no doubt be given a stronger role in the design of training policy also at higher levels of labour market administration. The suggestion

is that councils or commissions should be founded to ensure a leading role to social partners both inside and around the enterprise (much like the existing bodies in Denmark or Spain).

6. One yet unexplored area is what can be called organisational culture, meaning a basic set of rules and behaviours that defines the enterprise's own identity. The important thing is that such training services are provided to participants from all levels of the enterprise ladder. In other words, directors and workers alike should be allowed to benefit.

7. It is hardly ever that services designed as development training are being offered. That kind of training is addressed to individuals who distinguish themselves in their communities by intellectual power, personality or special talents. Development training courses are designed to help participants understand their own potentials and plan their careers. Such courses can be used to build a reserve pool of future managerial staff who step in when vacancies appear, or to build task forces who take up particularly sensitive issues and jobs.

8. Another important training mechanism is the practical exchange of experience with individuals in similar positions in other enterprises at home or abroad. In this area, again, Western models or contacts the Foundation can provide may turn out extremely useful.

9. It is a commonplace to say that transformation of the economy and the labour market calls for a fundamental reform of education at large, and of vocational education in particular. Institutions passed down from the previous centrally planned economy are in bad crisis everywhere. They are singularly ill-prepared to meet new needs of employees and employers alike, who are seeking to find their bearings in free market conditions. The situation is the way it is because interaction between vocational education system and the labour market is virtually non-existent. The lesson of free market economies is that education is definitely the most important factor of economic development in the world today. Developing one's knowledge and acquiring new skills, which breeds innovation and paves the way to the spread of new technology, is considered to be more important to the enterprise's development than access to capital or direct investment.

QUESTIONS RELATED TO THE TOPIC DEALT WITH BY THE SUBGROUP B (ROLE OF SOCIAL PARTNERS IN THE DEVELOPMENT OF TRAINING AT THE ENTERPRISE LEVEL) AND MEANT TO STIMULATE THE DISCUSSIONS IN THE WORKING GROUPS OF THE PLENARY SESSION

1) How can employers (enterprises) be better motivated to take the lead and develop proactive approaches to vocational training (financial and/or fiscal incentives, raising of awareness activities, etc.)?

2) Can social dialogue at the enterprise level play a beneficial role in stimulating the workforce to participate in vocational training and by which means (information, consultation, negotiation)?

3) Are there any priority VET-related themes on which the development of social dialogue is likely to have a positive impact both on the performance of the enterprise and the motivation/development of employees (access to vocational training, sharing of training time between normal working hours and leisure time, recognition of qualifications, etc.)?

4) What is the impact of social dialogue arrangements outside the enterprise (at national, regional, sectoral levels) on the promotion of vocational training activities inside or for the enterprises?

5) Is the establishment of global framework conditions - legal, financial, educational, etc.- for vocational training (through the active involvement of social partners) an important factor supporting or facilitating the involvement of enterprises in vocational training and why?